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student loans plan

CANADA STUDENT LOANS PLAN

(Revised—Effective July 1, 1968)

What is the purpose of the Plan?

The purpose of the Canada Student Loans Plan is to make bank loans available to students who need financial help to enable them to engage in full-time studies directed towards a degree or diploma at universities or certain other educational institutions above the high-school level.

What is the first step?

These loans may be made by any bank, and by some credit unions which have been designated for the purpose, but only on the basis of a Certificate of Eligibility issued by or on behalf of one of the provinces participating in the Plan. This Certificate of Eligibility is your key to getting a loan, and your first step should, therefore, always be to apply for such a Certificate. At the end of this pamphlet there is a list of places where you should apply. The Yukon and Northwest Territories are "provinces" for purposes of this Plan.

Am I eligible for a loan?

There are no age restrictions, but Certificates of Eligibility may be issued only to students who meet certain other conditions, and it will be helpful for you to know what they are. In brief, you will be eligible for a loan if you

- are a Canadian citizen. If you are not, you may also be eligible, but only if you have lived in Canada for a year or more, have Landed Immigrant status at the time you apply and intend to stay here after you graduate. Students studying in Canada on a student visa are not eligible;
- are a resident of a province that participates in the Plan (see further below on what constitutes residence for the purposes of the Plan);

- have attained a satisfactory scholastic standard. Generally, you are considered to have attained this if you satisfy entrance requirements for, or are in good standing in a post-secondary course at a designated educational institution. Where there is any doubt, contact your Provincial Authority or its agency which alone can determine these requirements in specific instances;
- are enrolled, or qualified to enrol, in a post-secondary course of studies at one of the universities or other Canadian educational institutions designated by the participating provinces, for a course of study of not less than twenty-six weeks' duration in the academic year. You may qualify in the same way for study at an educational institution outside of Canada;
- are a full-time student; students in night schools, correspondence schools, summer schools, etc., do not qualify; and
- have established to the satisfaction of an Authority named by a Participating Provincial Government that you really need a loan to assist you with your educational costs.

How do I establish that I need a loan?

The Canada Student Loans Plan was set up to supplement family and other financial sources available to students, not to replace them. It follows that Certificates of Eligibility may be issued only if you can establish that the financial resources available to you, including those of your parents, are not enough to meet what the awarding authority considers to be reasonable costs for the academic year. To this end, you will be asked to give a signed statement which will include information concerning your financial resources. Since, in general, parents remain primarily responsible for the costs of post-secondary education, your parents will normally be asked to give information concerning their income. Under the Plan, a ceiling is placed on the total loans that may be authorized by a

province, and a Provincial Authority cannot be expected to use its part of the loan funds to approve loans to students who are really not in need of such assistance.

How much could I borrow?

The Authority issuing Certificates of Eligibility will assess your need and determine the loan amount from the information in your application. This assessment will be based on your justifiable educational costs, fees, board and lodging if you live away from home, books, etc., relative to your other financial resources. (If you feel that the amount authorized is not adequate, you may reapply, or request a review of your earlier application, and any change in circumstances since your earlier application will be taken into account.)

The maximum loan amount that may be authorized to a student in any one academic year is \$1,000. The maximum that may be authorized in aggregate during your entire educational period is \$5,000. It will be in your interest to borrow as little as possible. Don't forget that after graduation you will have to repay these loans and you will, at that time, have other financial obligations.

How do I arrange for a loan?

If the Provincial Authority to which you have applied approves your application and issues a "Certificate of Eligibility" in your name, you may then take this to any bank branch to arrange your loan or, if you are a member of a credit union that has been designated as a lender for the purposes of the Plan, to that credit union.

Some students will prefer to borrow from bank branches near their homes, others near the places where they take their classes. The banks can transfer your account from one branch to another within the same bank. Loans may be transferred from one lender to another but this will require special arrangements.

Most loans will normally be provided in two instalments, one after you have enrolled for the first

term or semester of your course, and the other after the beginning of your second term or semester. On each occasion you will need to provide your bank with an indication that you are, at the time, a full-time student.

If you apply for another loan in another year the same procedures will apply.

Do I have to provide security for a loan?

No. Your loan will be “guaranteed” by the Federal Government. It will not be necessary for you to put up security or to have anyone other than yourself sign the loan agreement.

What about interest on the loan?

So long as you are a full-time student and until six months after you graduate or discontinue your study, the loans you obtain under this Plan will be interest-free to you, and no repayment of principal need begin. During this period, the Federal Government will pay interest on your borrowings to your bank.

Once your interest-free period has expired, you will become responsible not only for the repayment of principal but also for the payment of interest on the outstanding balance at the rate that is in effect for student loans at the time you take out your loan.

What obligation will I assume with a loan?

Once you have received a loan, you will have incurred certain obligations that you will have to discharge at the appropriate time at your own initiative. Specifically, if you are again enrolled as a full-time student in the next academic year and you want your interest-free status to continue, you must so advise the bank on a special form, signed by an official of the institution you are attending. Or, if you do not return as a full-time student, you must contact your bank not later than six months after you have graduated or discontinued your studies and enter into a formal repayment arrangement. Further details are explained on an instruction sheet which you will get with your Certificate of Eligibility. It will be your responsibility to remember to meet these obligations

and that a loan under this Plan is as much an obligation as if you were borrowing from a private lender without a government guarantee. A borrower who wilfully fails to meet his obligations under this Plan must expect that the normal collection procedures used by commercial lenders or guarantors will be taken. Don't risk spoiling your credit rating.

How long may I take to repay?

You will normally be expected to repay the total amount of your debt, by agreement with your bank, over a period of up to ten years after graduation, depending on the size of your debt and your probable ability to repay.

For example, you would normally be expected to repay a loan of \$5,000 over a maximum of 9½ years from the end of your interest-free period, \$3,000 over a maximum of 6½ years, and \$1,000 over a maximum of 4½ years. Normally loans of less than \$1,000 should be repaid in less than five years.

You may repay your loan in advance of an agreed schedule if and whenever you wish, without extra cost or penalty.

Suppose I die before the loan is repaid; does my family assume the debt?

No. The Federal Government will repay the bank and the debt will be cancelled.

Where can I get an application form for a "Certificate of Eligibility" and further information?

These Certificates are issued by a province participating in the Plan only to its residents. As a general rule, you are considered to be a resident of the province in which your parents live at the time you apply or, if you are married, of the province in which you have lived for at least one year. But there may be special circumstances, for instance, if you or your parents have moved to another province. Should you be uncertain about your residence status under this Plan, write to the Appropriate Authority of the province of which you consider yourself to be a resident. The addresses of these Provincial Authorities are shown below.

(The Province of Quebec relies on its own student assistance scheme instead of participating in the Federal Plan. Accordingly, students who are residents of the Province of Quebec can apply for financial assistance to the Student Aid Service, Department of Education, Government of the Province of Quebec, Quebec City.)

In all participating provinces, Certificates of Eligibility are issued by the Appropriate Authority of that province or its agent, and applications should be directed to the Appropriate Authority.

What colleges, universities and other post-secondary educational institutions may I attend with a Canada Student Loan?

Under the terms of the Canada Student Loans Plan, a province may issue a Certificate of Eligibility only to students who are, or will be, in attendance at post-secondary educational institutions which have been designated by a participating province as a "specified educational institution" for the purposes of the Plan. As a general rule, this covers all degree-granting universities in Canada, and in addition, Certificates of Eligibility may be issued to students attending a number of other post-secondary educational institutions such as schools of nursing, teachers' colleges, and certain technical and vocational institutes and centres, etc. Since the educational systems of different provinces differ from each other, there is naturally some variation from province to province in the number and type of schools other than universities that may be designated. If you are not sure whether the particular institution you are attending or are planning to attend in Canada is a "specified educational institution", you should write to the Appropriate Authority in your province. If you are attending or are planning to attend an educational institution outside of Canada you should write to the Appropriate Authority of your province to find out whether that institution has been or can be designated as an eligible institution under the Plan.

LIST OF PROVINCIAL APPROPRIATE AUTHORITIES

Newfoundland

Canada Student Loans Authority	Department of Education, Confederation Building, St. John's, Newfoundland
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Prince Edward Island

Canada Student Loans Committee	Department of Education Charlottetown, Prince Edward Island
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Nova Scotia

Nova Scotia— Canada Student Loans Committee	Department of Education, Box 578, Halifax, Nova Scotia
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New Brunswick

Department of Youth	Fredericton, New Brunswick
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Ontario

Department of University Affairs	Student Awards Officer, Suite 700, 481 University Ave., Toronto 2, Ontario
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Manitoba

Department of Education	Student Aid Officer, 1181 Portage Avenue, Winnipeg 10, Manitoba
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Saskatchewan

Department of Education	Avord Tower, Victoria Ave. & Hamilton St., Regina, Saskatchewan
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Alberta

Students Assistance Board	Department of Education, Administration Building, Edmonton, Alberta
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British Columbia

The British Columbia Student Aid Loan Committee	c/o Department of Education, Victoria, British Columbia
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Yukon Territory

The Students Financial Assistance Awards Committee	c/o Superintendent of Schools, Box 2703, Whitehorse, Yukon Territory
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Northwest Territories

Superintendent of Education for the Northwest Territories	c/o Education Division, Department of Indian Affairs and Northern Development, 400 Laurier Avenue West, Ottawa 4, Ontario
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